

§ 317.11

(iii) When directed, the reports should be sent through proper channels to the agency Privacy Act Advisor who will forward them to the Defense Privacy Office.

(g) *Discontinued information requirements.* (1) Any category or item of information about individuals that is no longer justified should not be collected, and when feasible, the information should be removed from existing records.

(2) Records that must be kept in accordance with retention and disposal needs established under DCAA Manual 5015.1⁶, "Files and Disposition Manual," shall not be destroyed.

(h) *Review records before disclosing them outside the Federal government.* Before disclosing a record from a system of records to anyone outside the Federal government, reasonable steps should be taken to ensure the record to be disclosed is accurate, relevant, timely, and complete for the purposes it is being maintained.

§ 317.11 Federal Government contractors.

(a) *Applicability to Federal government contractors.* (1) When the agency contracts for the operation of a system of records or portion thereof to accomplish an agency function, this part and 5 U.S.C. 552a are applicable. For purposes of the criminal penalties, the contractor and its employees shall be considered employees of the agency during the performance of the contract.

(2) Consistent with Parts 24 and 52 of the Federal Acquisition Regulation⁷, contracts for the operation of a system of records or portion thereof shall identify specifically the record system and the work to be performed, and shall include in the solicitations and resulting contract such terms specifically prescribed by the FAR.

(3) If the contractor must use records that are subject to this part to perform any part of a contract, and the information would have been collected and maintained by the agency but for the

⁶See footnote 1 to § 317.1(a).

⁷For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402.

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contract, the contractor activities are subject to this rule.

(4) This rule does not apply to records of a contractor that are:

(i) Established and maintained solely to assist the contractor in making internal contractor management decisions, such as records maintained by the contractor for use in managing the contract; or

(ii) Maintained as internal contractor employee records, even when used in conjunction with providing goods or services to the agency.

(iii) For contracting that is subject to this part, the agency shall:

(A) Inform prospective contractors of their responsibilities under the DCAA Privacy Program.

(B) Establish an internal system for reviewing contractor performance to ensure compliance with the DCAA Privacy Program; and

(C) Provide for the biennial review of a random sampling of agency contracts that are subject to this rule.

(b) *Contracting procedures.* The Defense Acquisition Regulatory Council is responsible for developing the specific policies and procedures for soliciting, awarding, and administering contracts.

(c) *Contractor compliance.* The agency shall establish contract surveillance programs to ensure contractors comply with the procedures established by the Defense Acquisition Regulatory Council pursuant to the preceding subsection.

(d) *Disclosing records to contractors.* Disclosing records to a contractor for use in performing a contract for the agency is considered a disclosure within the agency. The contractor is considered the agent of DCAA when receiving and maintaining the records for the agency.

§ 317.12 Safeguarding information in systems of records.

(a) *General responsibilities.* Appropriate administrative, technical, and physical safeguards shall be established to ensure the records in every system of records are protected from unauthorized alteration, destruction, or disclosure. The records shall be protected from reasonably anticipated